GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:429
ANSWERED ON:18.07.2017
Increasing MSP for Agricultural Produce
Sathyabama Smt. V.

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the effective steps taken by the Government to increase the Minimum Support Price (MSP) for agricultural products, foodgrains, vegetables and fruits, pulses, edible oils;

(b) whether the Government has constituted any committee to analyze and assess the fixing of MSPs for such agricultural goods; and

(c) if so, the decision taken by the Committee during the last two years for fixation of MSP for such agricultural products in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (c): Government fixes Minimum Support Price (MSP) for the major agricultural produce on the recommendation of the Commission for Agricultural Costs & Prices (CACP), views of the State Governments, concerned central Ministries/Departments and other relevant factors.

MSPs are fixed for those agricultural crops which grown widely, large area under cultivation, items of mass consumption with fairly long shelf life and necessary for maintaining food security. For Agricultural and Horticultural commodities which are not covered under MSP, Government implements Market Intervention Scheme (MIS) on the request of the State Government.
Commission for Agricultural Costs & Prices (CACP), which is an independent body of experts, recommends Minimum Support Prices for the major agricultural produce each year. The MSPs recommended are based on consideration of variety of factors that include cost of cultivation, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc. One of the primary factors considered by CACP is the cost of production.

MSPs and Fair and Remunerative Prices (FRP) for Sugarcane fixed by the Government since 2015-16 are at Annexure.